

# **CONSULTATION DOCUMENT**

## **Modification Proposals to the Gas Transmission Transportation Charging Methodology**

### **NTS GCM 05 Re-Consultation: NTS Exit (Flat) Capacity & Exit Reform**

**6<sup>th</sup> January 2009**

This document has been produced based on the assumption that UNC Modification Proposal 0195AV will be directed for implementation and is not applicable should any other exit reform proposal be directed for implementation.

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## 1 Executive Summary

This document is issued by National Grid in its role as Gas Transporter Licence holder in respect of the NTS (“National Grid”).

This document sets out for re-consultation revised proposals for amending the Gas Transmission Transportation Charging Methodology (the “NTS Charging Methodology”) in respect of the introduction of NTS Exit (Flat) Capacity Charges and the removal of interruptible credits. These proposals have been revised and are being brought forward for re-consultation in relation to the direction for implementation of UNC Modification Proposal 0195AV which is introducing NTS Exit Reform.

The closing date for submission of your responses to this consultation is **Friday 13<sup>th</sup> February 2009**

GCM05: National Grid proposes through this consultation document that:

- A consistent approach to the setting of actual, indicative and auction reserve prices for NTS Exit (Flat) Capacity is taken
- Nodal, offtake specific, NTS Exit (Flat) Capacity prices are set
- Interruption credits are removed from the NTS Charging Methodology
  - Bilateral contracts, leading to surrender charges, would result from the UNC Modification Proposals
- NTS Exit (Flat) Capacity Prices are calculated using the prevailing Charging Methodology for NTS Exit Capacity Prices
- The Transportation Model is used for estimating Long Run Marginal Costs (LRMCs) for the purposes of determining Annual/Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for daily firm NTS Exit (Flat) Capacity auctions based on a single year network model and supply/demand forecast for the relevant Gas Year;
  - For Annual/Enduring Annual NTS Exit (Flat) Capacity, charges will be set for the forthcoming Gas Year based on the supply data, baselines and network model for that year;
  - For daily firm reserve prices, the reserve price will be set based on the Enduring Annual NTS Exit (Flat) Capacity charge in place for that Gas Day.
  - For Off-Peak Daily NTS Exit (Flat) Capacity auctions, the reserve price will be zero.
- Defined inputs to the Transportation Model
  - Network ~ the network model comprising the nodes and pipe lengths would represent the Year of capacity release. The model would represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would be included.

- Supply Data ~ Ten Year Statement (No Change)
- Supply Balancing ~ Merit order (No Change ~ subject to review)
- Demand Data ~ flow data will be based on Baseline and incremental exit capacity levels other than bi-directional system points which will be assumed to be in supply mode and hence will have a zero exit flow. Capacity data will be the baseline quantities. Sites representing incremental capacity release will have the capacity level (but not the flow level) capped at the baseline level as this is the level of capacity that represents TO revenue; capacity in excess of this level represents SO revenue.
- Target revenue ~ TO revenue calculated in accordance with the Charging Methodology and NTS Licence (No Change)
- Expansion factor ~ calculated in gas year N-4 based on the costs of constructing NTS capacity for 1<sup>st</sup> October in gas Year N. (e.g. the expansion factor for gas year starting 1<sup>st</sup> October 2012 would be set in the summer of 2009 and would apply for setting prices for all applications and auctions for gas year starting 1<sup>st</sup> October 2012 including daily auctions)
- Anuitisation factor ~ Implied by the NTS Licence (allowed rate of return, operating expenditure allowance and anuitisation period) at the time of setting prices. (No Change)
- The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges
  - The SO NTS Exit (Flat) Commodity charge maps onto and replaces the existing SO NTS Exit Commodity charge.
  - A new TO Exit (Flat) Commodity charge is introduced in addition to the SO Exit (Flat) Commodity charge
    - The level of the TO Exit (Flat) Commodity charge would be set to seek to adjust the level of TO collected exit revenue if there is forecast to be under recovery.
    - The NTS TO Exit (Flat) Commodity charge will have an identical structure and application to the NTS SO Exit (Flat) Commodity charge

## **Implementation**

It is proposed that these arrangements are implemented with effect from 1st April 2009. Implementation of UNC 0195AV requires an initial application in the summer of gas year 2009 for capacity from 1<sup>st</sup> October in gas year 2012 and then summer year N for gas year starting 1<sup>st</sup> October N+4. As a consequence there would be a phased implementation as indicated by the timelines in Appendix D - Timelines.

## **Indicative Prices**

Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

## **Future Proposals**

Further proposals might be required to cover NTS TO Exit over recovery as a consequence of revenue from daily exit capacity auctions. Over recovery might be managed by a reduced or negative TO Exit Commodity Charge however National Grid's reasonable endeavours obligation to only set commodity charges twice a year on 1<sup>st</sup> April and 1<sup>st</sup> October might not be sufficiently flexible. It may be more appropriate to investigate rebate mechanisms consistent with those introduced for NTS TO Entry revenue over recovery.

## 2 Introduction

- 2.1 This document is issued by National Grid in its role as Gas Transporter Licence holder in respect of the NTS (“National Grid”). This document sets out for consultation proposals for amending the Gas Transmission Transportation Charging Methodology (the “NTS Charging Methodology”) in respect of the introduction of NTS Exit (Flat) Capacity Charges and the removal of interruptible credits.
- 2.2 These proposals are being brought forward in relation to the direction for implementation of UNC Modification Proposal 0195AV which is seeking to introduce NTS Exit Reform.
- 2.3 In regards to the primary ‘flat’ capacity product 0195AV introduces four capacity products, albeit with slightly different arrangements, and this document covers the pricing of those products. The products are;
- Enduring Annual NTS Exit (Flat) Capacity
  - Annual NTS Exit (Flat) Capacity
  - Daily NTS Exit (Flat) Capacity
  - Off-Peak Daily NTS Exit (Flat) Capacity
- 2.4 The document also covers NTS Exit (Flat) Commodity charge setting.

### Enduring Annual NTS Exit (Flat) Capacity

- 2.5 Users will be able to apply for such rights via an annual window in Summer of Gas Year N for Gas Year N+4 onwards. Ad-hoc applications can also be requested.

### Annual NTS Exit (Flat) Capacity

- 2.6 Users will be able to apply for such rights in Summer of Gas Year N for Gas Years N+1, N+2 and N+3 via an annual process.

### Daily NTS Exit (Flat) Capacity

- 2.7 Users will be able to bid for such rights ahead of and during the Gas Day via daily auctions.

### Off-Peak Daily NTS Exit (Flat) Capacity

- 2.8 Off-Peak Daily NTS Exit (Flat) Capacity would be released. Users will be able to bid for such rights ahead of the Gas Day via daily auctions. The available amount would be made up of
- “Use it or lose it” (UIOLI),
  - discretionary release, and
  - "Daily Off-peak NTS Exit (Flat) Capacity" - this will be auctioned on D-1 but only on days where forecast demand at 13.30 D-1 is less than 80% of 1 in 20 peak day demand. The amount available would include the Maximum Supply Point Offtake rate multiplied by 24 minus Firm sold.

### 3 Background

- 3.1 Three National Grid gas charging discussion papers (GCD01, GCD02 & GCD03) were issued and consulted on between October and November 2006 in relation to the UNC 0116 Modification Proposal and variants.
- **NTS GCD 01** covered NTS Exit (Flat) Capacity and the generation of Prevailing<sup>1</sup> NTS Exit (capacity) Capacity prices and Annual and Daily reserve prices.
  - **NTS GCD 02** covered NTS Exit (Flexibility) Capacity and Commodity including reserve prices for annual and daily auctions and a new SO Flexibility Commodity Charge.
  - **NTS GCD 03** covered TO under and over-recovery mechanisms
- 3.2 As a consequence of the discussions and given the potential timelines for the first NTS Exit (flexibility) Capacity auctions, the GCM04 pricing proposal was issued and consulted on over February and March 2007. GCM04 proposed a zero reserve price for NTS Exit (Flexibility) Capacity for the annual and daily auctions. Following the submission of a report containing this proposal to the authority, GCM04 was not vetoed and hence now forms part of the NTS Charging Methodology. This section of the methodology has subsequently become redundant due to the successful appeal of the Authority decision to direct implementation of UNC Modification Proposal 0116V.
- 3.3 Respondents to GCD01 were supportive of the setting of NTS TO Exit (Flat) Capacity charges based on the Transportation model approach. Support for the approach was subject to the adjustment of Exit Capacity charges and reserve prices to aim to recover the total TO Exit Capacity target allowed revenue through NTS Exit (Flat) Capacity charges.

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<sup>1</sup> Prevailing NTS Exit (Flat) Capacity under the 0116 suite of UNC proposals equates to Enduring NTS Exit (Flat) Capacity under 0195AV.

## 4 Discussion and Issues

### The Licence & Revenue Foregone

- 4.1 Interruptible supply points do not currently attract NTS Exit Capacity charges
- 4.2 Definition: 'Charges Foregone' are defined within the NTS Transportation Licence as those NTS Exit Capacity charges that Interruptible supply points would pay if they were Firm
- 4.3 Charges Foregone are (up to exit reform) included within the NTS Licence as SO allowed revenue and as TO actual (collected) revenue i.e. an increase in SO allowed revenue is cancelled out by an effective reduction in TO allowed exit revenue
- 4.4 Post Exit Reform there would be no 'Charges Foregone'.
- If all 'interruptible' demand converted to firm, in theory this would mean that NTS Exit (Flat) Capacity charges could remain unchanged.
    - In practise there may still be a change in prices as a consequence of the geographical redistribution of costs caused by higher supplies required to meet higher demand within the model.
  - If all 'interruptible' demand utilised off-peak capacity, this could mean that NTS Exit (Flat) Capacity charges would increase.
    - This would be avoided by setting NTS Exit (Flat) Capacity charges on baseline capacity levels and recovering the costs associated with unsold baselines through commodity charges.
- 4.5 Indicative prices for exit points based on baseline capacity levels are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices.
- 4.6 There would be a consequential decrease in SO Commodity charges relative to the prevailing arrangements as a result of the removal of 'revenue foregone' allowed SO revenue. The impact of the removal of revenue foregone on the SO Commodity charge would be a reduction of 0.0034 p/kWh based on the data used for the indicative charges in Appendix B – Indicative NTS Exit (Flat) Capacity Prices. The impact of the proposal on TO Exit (Flat) Commodity charges based on a range of firm capacity bookings is shown in Appendix C – Indicative NTS Exit (Flat) Commodity Prices.
- 4.7 Exit reform related Licence changes are detailed in Appendix A – Licence Implications of Exit Reform.

### Transportation Model Inputs

- 4.8 The options for setting NTS Exit (Flat) Capacity charges were discussed with the industry via GCD01 and at the Gas Transmission Methodologies Forum (TCMF). GCD01 set out a number of options with support only expressed for the use of the Transportation Model. National Grid continues to believe that the use of the Transportation Model to set NTS Exit (Flat) capacity charges is the most appropriate method and this section covers the Transportation Model input data that would be required.

#### 4.9 Change to Transportation Model input data

- Network
  - The network model comprising the nodes and pipe lengths should represent the Year of capacity release. The model should represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would need to be included.
- Supply
  - Using supply data from the Ten Year Statement would be consistent with the prevailing NTS Charging Methodology.
- Demand
  - Booked exit capacity was viewed as the most appropriate option however Ofgem raised concerns that this may lead to those relying on off-peak capacity not paying an appropriate proportion of TO costs. Lower firm booking would result in higher charges whereas higher firm bookings would result in lower charges.
  - Modelling and adjusting charges to baseline exit capacity would ensure stable charges and would ensure that those exit points relying on off-peak capacity would attract a more appropriate level of TO costs.
- Balancing S&D
  - This proposal will be based on the prevailing methodology; a merit order approach, where supplies are used one-by-one to reach the modelled demand level. This is consistent with the planning approach. Alternative options, such as scaling all or groups of supplies may lead to more stable prices and will be investigated. Any charging methodology change brought forward in this area to change the prevailing exit charging methodology would then apply to the enduring charging methodology. If supplies are insufficient to meet demand, Interconnector UK (ICUK) forecast flows are increased up to ICUK capability to achieve a supply & demand match.
- Expansion Factor
  - Calculation in the year of commitment would allow prices to be forecast more easily hence increasing transparency and would be consistent with the construction time-line.
- Anuitisation Factor
  - The anuitisation factor should be that implied by the Licence. There is an issue in that indicative prices will be generated in one price control period for the following price control period however the assumption that no change would be made seems appropriate as any change would be speculative. This will also keep allowed revenue inline with the anuitisation factor.

## Treatment of Bi-directional System Points

- 4.10 The underlying assumption will be that bi-directional system points will be treated as supplies within the model but baseline exit capacity will be included to ensure that prices can be adjusted appropriately to recover allowed revenue.
- 4.11 If bi-directional sites were to be included within the Transportation Model as exit flows there is a risk that the costs associated with local pipe work (i.e. those pipes that would flow towards the system point in exit mode but away from the system point in entry mode) would be included in both the entry and the exit prices hence leading to double counting.
- 4.12 National Grid will monitor the operation of bi-directional sites and keep this assumption under review.

## Price Control Boundary Issues

- 4.13 Indicative annual prices would be published and required for defining financial user commitment. At times, these will be set for exit capacity in the following price control period and hence the allowed revenue will be unknown. In this scenario the allowed revenue, for the purposes of price setting only, could be calculated from rolling forward the prevailing price controls.

## Interruption

- 4.14 Interruption credits are currently paid based on 1/15<sup>th</sup> of the firm capacity charges that would otherwise apply at an interruptible exit point, for each day of interruption in excess of 15 days.
- 4.15 Interruption credits are removed as part of 0195AV and hence this aspect will be removed from the NTS Charging Methodology. Alternative future firm curtailment requirements for capacity management purposes would be contracted for bi-laterally and the arrangements for payment are covered by 0195AV.
- 4.16 Off-Peak Daily NTS Exit (Flat) Capacity would be released via three mechanisms;
- “Use it or lose it” (UIOLI),
  - discretionary release, and
  - “Daily Off-peak NTS Exit (Flat) Capacity” - this will be auctioned on D-1 but only on days where forecast demand at 13.30 D-1 is less than 80% of 1 in 20 peak day demand. The amount available would include the Maximum Supply Point Offtake rate multiplied by 24 minus Firm sold.
- 4.17 As the cost of making the capacity available would already have been met, a zero reserve price should reflect the costs incurred and be consistent with the Licence relevant objectives for the Charging Methodology. No payment would be made for the scale back of Off-Peak Daily NTS Exit (Flat) Capacity.

## Offtake Specific v Exit Zone Prices

- 4.18 As a consequence of the UNC Modification Proposals, other than 0116A, NTS exit zone prices would no longer be set and prices would be set on an offtake specific basis. Capacity at DN offtakes would be acquired and paid for by the DNOs and the DNOs would need to recover these costs through their transportation charges.

4.19 For comparison with prevailing NTS Exit Capacity prices, indicative NTS Exit (Flat) Capacity prices have been generated on a flow weighted average NTS exit zone basis, in accordance with the prevailing methodology for setting charges for DN exit points. National Grid anticipates that DNOs would bring forward DN Charging Methodology proposals as required to implement the consequences of Exit Reform. There is the potential for NTS exit zones to be retained within the DN Charging Methodology.

### **SO & TO Commodity**

4.20 The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;

4.21 A new SO Exit (Flat) commodity charge would be required to map onto and replace the current SO Exit Commodity charge.

4.22 A new additional TO Exit (Flat) Commodity charge would be required to offset under recovery arising from any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue. If NTS Exit (Flat) Capacity charges were set to recover TO Exit allowed revenue from the baseline capacity levels, a TO Exit (Flat) Commodity charge would need to be set to offset the lower level of revenue recovery resulting from unsold baseline capacity.

### **Implementation**

4.23 In relation to a given gas year N (1<sup>st</sup> October to 30<sup>th</sup> September)

- Indicative prices for gas year N would be required for the initial application period for Enduring Annual NTS Exit (Flat) Capacity in gas year N-4.
- Subsequent years would require either indicative prices to be generated for annual capacity in gas years N-3, N-2 and N-1
- Finally enduring prices, which would also represent daily reserve prices, would be generated in gas year N-1 for gas year N.

4.24 A timeline for the generation of indicative and actual prices is contained within Appendix D - Timelines.

4.25 Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

## 5 National Grid's Proposal

### 5.1 National Grid proposes that:

- A consistent approach shall be taken for the generation of actual, auction reserve and indicative prices as required
- Nodal, offtake specific, NTS Exit (Flat) Capacity prices are set
- Interruption credits are removed from the NTS Charging Methodology
  - Bilateral contracts, leading to surrender charges, would result 0195AV
- NTS Exit (Flat) Capacity Prices are calculated using the prevailing NTS Charging Methodology for NTS Exit Capacity Prices
- The Transportation Model is used for estimating Long Run Marginal Costs (LRMCs) for the purposes of determining Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for annual and daily firm NTS Exit (Flat) Capacity auctions based on a single year network model and supply/demand forecast for the relevant Gas Year;
  - For Annual and Enduring Annual NTS Exit (Flat) Capacity, charges will be set for the forthcoming Gas Year based on the supply data, baselines and network model for that year;
  - For daily firm reserve prices, the reserve price will be set based on the Prevailing NTS Exit (Flat) Capacity charge in place for that Gas Day.
  - For Off-Peak Daily NTS Exit (Flat) Capacity auctions, the reserve price will be zero.
- Defined inputs to the Transportation Model
  - Network ~ the network model comprising the nodes and pipe lengths would represent the Year of capacity release. The model would represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would be included.
  - Supply Data ~ Ten Year Statement (No Change)
  - Supply Balancing ~ Merit order (No Change ~ subject to review)
  - Demand Data ~ flow data will be based on baseline and incremental exit capacity levels other than bi-directional system points which will be assumed to be in supply mode and hence will have a zero exit flow. Capacity data will be the baseline quantities. Sites representing incremental capacity release will have the capacity level (but not the flow level) capped at the baseline level as this is the level of capacity that represents TO revenue; capacity in excess of this level represents SO revenue.
  - Target revenue ~ TO revenue calculated in accordance with the NTS Charging Methodology and NTS Licence (No Change)

- Expansion factor ~ calculated in gas year N-4 based on the costs of constructing NTS capacity for 1<sup>st</sup> October in gas Year N. (e.g. the expansion factor for gas year starting 1<sup>st</sup> October 2012 would be set in the summer of 2009 and would apply for setting prices for all applications and auctions for gas year starting 1<sup>st</sup> October 2012 including daily auctions)
- Anuitisation factor ~ Implied by the NTS Licence (allowed rate of return, operating expenditure allowance and anuitisation period) at the time of setting prices. (No Change)
- The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;
  - a new SO Exit (Flat) commodity charge will map onto and replace the current SO Exit Commodity charge and
  - a new additional TO Exit (Flat) Commodity charge will be required to offset under recovery arising due to any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue.
    - The level of the TO Exit (Flat) Commodity charge would be set to seek to adjust the level of TO collected exit revenue if there is forecast to be under recovery .
    - The NTS TO Exit (Flat) Commodity charge would have an identical structure and application to the NTS SO Exit (Flat) Commodity charge.

## Implementation

It is proposed that these arrangements are implemented with effect from 1st April 2009. Implementation of UNC 0195AV requires an initial application in the summer of gas year N for capacity from 1<sup>st</sup> October in gas year N+4 e.g. summer 2009 for gas year starting 1<sup>st</sup> October 2012. As a consequence there will be a phased implementation as indicated by the timelines in Appendix D - Timelines.

## Indicative Prices

Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

## Future Proposals

Further proposals might be required to cover NTS TO Exit over recovery as a consequence of revenue from daily exit capacity auctions. Over recovery might be managed by a reduced or negative TO Exit Commodity Charge however National Grid's reasonable endeavours obligation to only set commodity charges twice a year on 1<sup>st</sup> April and 1<sup>st</sup> October might not be sufficiently flexible. It may be more appropriate to investigate rebate mechanisms consistent with those introduced for NTS TO Entry revenue over recovery.

## 6 Justification

### Assessment against Licence Objectives

- 6.1 The National Grid plc Gas Transporter Licence in respect of the NTS requires that proposed changes to the NTS Charging Methodology shall achieve the relevant methodology objectives.
- 6.2 Where transportation prices are not established through an auction, prices calculated in accordance with the methodology should:
- 1) Reflect the costs incurred by the licensee in its transportation business;
  - 2) So far as is consistent with (1) properly take account of developments in the transportation business;
  - 3) So far as is consistent with (1) and (2) facilitate effective competition between gas shippers and between gas suppliers.
- 6.3 National Grid believes that GCM05 would achieve the relevant objectives.
- 6.4 The prices generated from the Transportation Model are reflective of both the costs that have been incurred in making physical system capacity available (through the assumptions in the Expansion Constant) and the actual marginal costs that would be incurred by capacity release relative to the prevailing system capacity. Calculating prices on a single year analysis with a Transportation Model will therefore result in Users paying differentially for the capacity they hold and potentially use during the relevant Gas Year.
- 6.5 Commoditising the TO costs associated with unsold baseline capacity should ensure that these costs are recovered from all consumers and hence those utilising off-peak capacity, which will in part be facilitated by unsold baseline capacity, attract a more appropriate level of TO costs.
- 6.6 It is National Grid's view that the objective of NTS Exit (Flat) Capacity prices is to provide price signals to Users in relation to the relative cost associated with providing capacity at different locations around the network. The advantage of the proposed Tariff model approach, where exit prices are adjusted (additive), is that it preserves the locational price differentials between Exit points and hence preserves the relative cost-reflectivity. Adjusting prices based on baseline capacity will also ensure that costs are not subject to the level of capacity booking and hence are more stable.
- 6.7 It is National Grid's view that competition can be promoted in terms of the development of the NTS Charging Methodology by making it simple and easy to understand such that prices can be replicated and forecast by Users. The Transportation Model has significant benefits in term of transparency and predictability. Using a single year model allows the prices for the remaining years of the ten year plan to be forecast by both National Grid and the wider industry. It is anticipated that this feature of the methodology would give greater confidence to Users and reduce risk associated with price uncertainty hence promoting competition and reducing barriers to entry. National Grid believes the use of a single charging model (Transportation Model) will allow it to make more consistent estimates of LRMCs and therefore avoid undue preference in capacity pricing. The single charging model also allows both National Grid and Users to easily make quick assessments of the value of capacity, therefore enabling the user to make informed decisions about purchasing capacity.

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## Assessment against EU Gas Regulations

6.8 EC Regulation 1775/2005 on conditions for access to the natural gas transmission networks (binding from 1 July 2006) are summarised below.

- The principles for network access tariffs or the methodologies used to calculate them shall:
  - Be transparent
  - Take into account the need for system integrity and its improvement
  - Reflect actual costs incurred for an efficient and structurally comparable network operator
  - Be applied in a non-discriminatory manner
  - Facilitate efficient gas trade and competition
  - Avoid cross-subsidies between network users
  - Provide incentives for investment and maintaining or creating interoperability for transmission networks
  - Not restrict market liquidity
  - Not distort trade across borders of different transmission systems.

6.9 National Grid believes that GCM05 is consistent with the principles listed above.

## 7 Areas for Consultation

7.1 National Grid invites views on whether the proposed changes to our Gas Transmission Transportation Charging Methodology achieve National Grid Gas's relevant GT Licence objectives, specifically that:

- A consistent approach to setting actual, indicative and auction reserve prices for NTS Exit (Flat) Capacity is taken
- Nodal NTS Exit (Flat) Capacity prices are generated
- Interruption credits are removed
- The prevailing methodology for NTS Exit Capacity Prices will be used for the purposes of determining Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for daily firm NTS Exit (Flat) Capacity auctions based on a single year network model, exit baselines and supply forecast for the relevant Gas Year
- The expansion factor, the unit cost (£/GWhkm) of adding capacity, will be determined in year N in relation for setting all exit prices for year N+4.
- The annuitisation factor used (currently 0.10272 ) will be that calculated from the allowed rate of return, operating expenditure allowance and the assumed asset life (currently forty five years) implied by the NTS Licence at the time of setting prices
- The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;
  - a new SO Exit (Flat) commodity charge will map onto and replace the current SO Exit Commodity charge and
  - a new additional TO Exit (Flat) Commodity charge will be required to offset under recovery arising due to any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue
- These arrangements are implemented with effect from 1st April 2009.

The closing date for submission of your responses is **Friday 13<sup>th</sup> February 2009**. Your response should be e-mailed to:

[box.transmissioncapacityandcharging@uk.ngrid.com](mailto:box.transmissioncapacityandcharging@uk.ngrid.com)

or alternatively sent by post to

Eddie Blackburn, Regulatory Frameworks, National Grid, National Grid House, Gallows Hill, Warwick, CV34 6DA.

If you wish to discuss any matter relating to this charge methodology consultation then please call Eddie Blackburn ☎ 01926 656022 or Debra Hawkin ☎ 01926 656317.

Responses to this consultation will be incorporated within National Grid's conclusion report. If you wish your response to be treated as confidential then please mark it clearly to that effect.

## Appendix A – Licence Implications of Exit Reform

Interruptible supply points do not currently attract NTS Exit Capacity charges. Within the Licence, 'Charges Foregone' are those revenues equal to the NTS Exit Capacity charges that Interruptible supply points would pay if they were Firm.

Charges Foregone are (up to exit reform) included within the NTS Licence as SO allowed revenue and as TO actual (collected) revenue i.e. an increase in SO allowed revenue is cancelled out by a net reduction in TO allowed exit revenue. The effect of this is to move the allowed revenue from the TO control to the SO control.

Post Exit Reform there would be no 'Charges Foregone'. In theory this means that NTS Exit (Flat) Capacity charges could remain unchanged, if all 'interruptible' demand converted to firm, with a consequential decrease in SO Commodity charges. This would be as a consequence of the increased allowed TO revenue, as a result of the removal of Charges Foregone, being offset by the increased collected revenue from those exit points that were previously interruptible.

There are further consequences of exit reform within the Licence with the "Buy-back and interruptions incentive" being replaced by the "Exit investment buyback incentive". These can be mapped to the removal of the interruption credits to be replaced by bi-lateral contracting and direct payment for interruption.

The remainder of the Licence changes allow for NTS Exit Capacity to be replaced by NTS Exit (Flat) Capacity and NTS Exit (Flexibility) Capacity.

### Allowed Revenue

- ◆ SO exit incentives, costs and revenues (SOExIRct) includes:
  - ◆ Buy-back and interruptions incentive (ExCBBIIRt) **(only until exit reform)**;
  - ◆ Constrained LNG target (ExCITt);
  - ◆ Exit capacity investment incentive (ExCIIRt);
  - ◆ Long run contracting incentive costs and revenue (ExLRCIRt);
  - ◆ Non-obligated exit capacity revenue (ExNOCIRt) **(only after exit reform)**;
  - ◆ Exit investment buyback incentive (ExXSIBBct) **(only after exit reform)**;
  - ◆ Allowance for 'charges foregone' (ExNTSSICt) **(only until exit reform)**

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Actual Revenue

- ◆ SO Exit Capacity actual revenue (SOExRFt)
  - ◆ Until Exit Reform
    - ◆ SO revenue from charges levied with regards provision of exit capacity above baseline ~ total charges – baseline charges (TOExt-TOExRFt)
  - ◆ Enduring
    - ◆ SO revenue from charges levied with regards provision of
      - ◆ obligated incremental NTS Exit flat capacity (REVOIExCt)
      - ◆ obligated incremental NTS Exit flow flex capacity (REVOIFFt)
      - ◆ non-obligated incremental NTS Exit flat & flow flex capacity & short term interruptible (ExREVNOct)
- ◆ **TOExRt = TOExRFt + ExNTSSICt + TORREVBExCt**
- ◆ TO Exit actual revenue (TOExRt) equals:
  - ◆ TO revenue from sale of exit baseline capacity (**until exit reform**) (TOExRFt)
  - ◆ **Plus**
  - ◆ TO Exit capacity 'charges foregone' (**until exit reform**) (ExNTSSICt)
  - ◆ **Plus**
  - ◆ TO revenue from sale of NTS exit flat & flow flexibility baseline capacity (**enduring**) (TOREVBExCt)

## Appendix B – Indicative NTS Exit (Flat) Capacity Prices

These indicative exit prices are based on the proposed methodology and should not be used for any other purpose. The impact of the removal of revenue foregone on the SO Commodity charge would be a reduction of 0.0034 p/kWh for 2012/13 based on the data used for the indicative capacity charges.

The following Transportation Model inputs have been used:

Input	Value
<b>Network</b>	2012/13
<b>Supply</b>	December 2007 Ten Year Statement for 2012/13
<b>Demand</b>	<p>'As-is' ~ 2007 Forecast Demand for 2012/13</p> <p>'Baseline' ~ Licence exit baseline quantities</p> <p>In both cases no exit flow is modelled for storage, or for IUK</p>
<b>Balancing S&amp;D</b>	Merit Order – storage flows have been increased to offset increased demand due to the inclusion of previously 'interruptible' demand
<b>Expansion Factor</b>	1 <sup>st</sup> October 2008 - £2320/GWhkm (The Expansion Factor for October 2012/13 would be set in summer 2009)
<b>Anuitisation Factor</b>	0.10272

Indicative NTS Exit (Flat) Capacity prices have been generated as follows:

Scenario	Demand in Node Data Table in Transportation Model (Column P)	Exit Capacity in Administered Exit Charges Table in Transportation Model (Column AD)	Target Exit Revenue
<b>As-Is</b>	<p>Forecast Firm Demand</p> <p><i>Total Demand: 6227 GWh</i></p>	<p>Forecast Firm Capacity</p> <p>- IUK Exit Capacity modelled at prevailing firm level</p> <p><i>Total TO Capacity: 6130 GWh<sup>2</sup></i></p>	<p>£235m (£58m Revenue Foregone collected through SO Commodity Charge)</p>
<b>Baseline</b>	<p>Demand modelled as baseline</p> <p>- bi-directional exit points modelled as supplies</p> <p><i>Total Demand: 7350 GWh</i></p>	<p>Baseline Capacity</p> <p><i>Total TO Capacity: 8626 GWh</i></p>	<p>£293m</p>

<sup>2</sup> The TO Exit Capacity figure is less than the demand as incremental exit capacity has been included as a demand but not as capacity. This is because incremental capacity is treated as SO revenue and hence should not be used in the process of adjusting charges to collect TO allowed revenue.

## Indicative NTS Exit (Flat) Capacity Charges by Exit Point (p/kWh/day) 1<sup>st</sup> October 2012

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
ABSON	DC	0.0217	0.0130
AM_PAPER	DC	0.0198	0.0194
AVONMOUTH_LNG	DC	0.0233	0.0113
BACTON INTERCONNECTOR	DC	0.0003	0.0006
BAGLAN_BAY_PG	DC	0.0067	0.0001
BARKING_PG	DC	0.0102	0.0126
BARTON_STACEY	DC	0.0221	0.0224
BILLINGHAM_ICI	DC	0.0053	0.0044
BP_GRANGEMOUTH	DC	0.0001	0.0001
BP_SALTEND_HP	DC	0.0001	0.0001
BRIDGEWATER_PAPER	DC	0.0218	0.0237
BRIGG_PG	DC	0.0042	0.0045
BRIMSDOWN_PG	DC	0.0134	0.0137
BRITISHSUGAR_CANTLEY	DC	0.0025	0.0027
BRITISHSUGAR_YORK	DC	0.0045	0.0041
BRUNNER_MOND	DC	0.0203	0.0199
CAYTHORPE_(MRS)	DC	0.0009	0.0001
CHESHIRE_(MRS)	DC	0.0198	0.0194
CONNAHS_QUAY_PS	DC	0.0214	0.0240
CORBY_PS	DC	0.0098	0.0101
CORYTON_PG	DC	0.0099	0.0124
COTTAM_PG	DC	0.0042	0.0045
DAMHEAD_CREEK	DC	0.0079	0.0103
DEESIDE_PS	DC	0.0217	0.0236
DIDCOT_A	DC	0.0185	0.0189
DIDCOT_PS	DC	0.0186	0.0188
DRAKELOW	DC	0.0147	0.0090
DYNEVOR_ARMS_LNG	DC	0.0084	0.0001
EASINGTON&ROUGH_TERMINAL	DC	0.0001	0.0001
EASTOFT	DC	0.0037	0.0034
ENRON_(BILLINGHAM)	DC	0.0053	0.0044
FLEETWOOD_(MRS)	DC	0.0153	0.0149
GARTON_(MRS)	DC	0.0001	0.0001
GLENMAVIS_LNG	DC	0.0001	0.0001
GOOLE_GLASS	DC	0.0029	0.0026
GRAIN_GAS	DC	0.0079	0.0103
GREAT_YARMOUTH	DC	0.0003	0.0006
HATFIELD_MOOR_(MRS)	DC	0.0037	0.0034
HAYS_CHEMICALS	DC	0.0202	0.0207
HOLEHOUSE_FARM_(MRS)	DC	0.0181	0.0184

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
HORNSEA_(MRS)	DC	0.0001	0.0001
HUMBLY_GROVE_(MRS)	DC	0.0221	0.0224
ICI_RUNCORN	DC	0.0234	0.0237
IMMINGHAM_PG	DC	0.0001	0.0001
KEADBY_PS	DC	0.0040	0.0036
KEMIRAINCE_CHP	DC	0.0231	0.0234
KINGS_LYNN_PS	DC	0.0055	0.0057
LANGAGE_PG	DC	0.0308	0.0221
LITTLE_BARFORD_PS	DC	0.0116	0.0119
LONGANNET	DC	0.0001	0.0001
MARCHWOOD	DC	0.0238	0.0233
MEDWAY_PS	DC	0.0078	0.0104
MOFFAT	DC	0.0017	0.0013
PARTINGTON_LNG	DC	0.0200	0.0192
PEMBROKE_PG	DC	0.0001	0.0001
PETERBOROUGH_PS	DC	0.0074	0.0076
PETERHEAD_PG	DC	0.0001	0.0001
PHILLIPS_SEAL_SANDS	DC	0.0047	0.0038
ROCKSAVAGE_PG	DC	0.0234	0.0237
ROLLS_ROYCE_ANSTY	DC	0.0122	0.0118
ROLLS_WOOD	DC	0.0001	0.0001
ROOSECOTE_PS	DC	0.0080	0.0078
RYE_HOUSE_PS	DC	0.0141	0.0144
SALTEND	DC	0.0001	0.0001
SAPPIPAPERMILLCHP	DC	0.0164	0.0160
SEABANK_POWER_II	DC	0.0234	0.0114
SELLAFIELD_PS	DC	0.0061	0.0115
SEVERNSIDE_ICI	DC	0.0233	0.0114
SHOTTON_PAPER	DC	0.0225	0.0228
SPALDING_PG	DC	0.0055	0.0058
STALLINGBOROUGH_PS	DC	0.0002	0.0005
SUTTON_BRIDGE_PS	DC	0.0067	0.0070
TEESSIDE_BASF	DC	0.0047	0.0038
TEESSIDE_HYDROGEN	DC	0.0047	0.0038
THORNTON_CURTIS_PG	DC	0.0001	0.0001
WARMINGHAM	DC	0.0205	0.0208
WELTON_(MRS)	DC	0.0042	0.0045
ZENECA	DC	0.0047	0.0038
BACTON_OT	EA	0.0003	0.0006
BRISLEY	EA	0.0029	0.0032
CAMBRIDGE	EA	0.0098	0.0101
GREAT_WILBRAHAM	EA	0.0079	0.0082

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
MATCHING_GREEN	EA	0.0128	0.0131
PETERBOROUGH_TEE	EA	0.0078	0.0081
ROUDHAM_HEATH	EA	0.0044	0.0047
ROYSTON	EA	0.0097	0.0100
WEST_WINCH	EA	0.0052	0.0055
WHITWELL	EA	0.0115	0.0118
YELVERTON	EA	0.0025	0.0027
ALREWAS_EM	EM	0.0150	0.0153
BLABY	EM	0.0117	0.0120
BLYBOROUGH	EM	0.0042	0.0045
CALDECOTT	EM	0.0095	0.0098
DROINTON	EM	0.0161	0.0164
GOSBERTON	EM	0.0052	0.0055
KIRKBY_MALLORY***	EM	0.0126	0.0111
KIRKSTEAD	EM	0.0033	0.0036
MARKET_HARBOROUGH	EM	0.0105	0.0108
SILK_WILLOUGHBY	EM	0.0044	0.0047
SUTTON_BRIDGE	EM	0.0069	0.0072
THORNTON_CURTIS_LDZ	EM	0.0001	0.0001
TUR_LANGTON	EM	0.0107	0.0110
WALESBY	EM	0.0010	0.0013
ASSELBY	NE	0.0024	0.0021
BALDESBY	NE	0.0073	0.0069
BURLEY_BANK	NE	0.0069	0.0065
GANSTEAD	NE	0.0001	0.0001
PANNAL	NE	0.0064	0.0061
PAULL	NE	0.0001	0.0001
PICKERING	NE	0.0035	0.0011
RAWCLIFFE	NE	0.0026	0.0022
TOWTON	NE	0.0045	0.0041
BISHOP_AUCKLAND	NO	0.0070	0.0061
COLDSTREAM	NO	0.0001	0.0001
CORBRIDGE	NO	0.0027	0.0023
COWPEN_BEWLEY	NO	0.0051	0.0042
ELTON	NO	0.0062	0.0053
GUYZANCE	NO	0.0003	0.0001
HUMBLETON	NO	0.0001	0.0001
KELD	NO	0.0090	0.0086
LITTLE_BURDON	NO	0.0066	0.0057
MELKINTHORPE	NO	0.0083	0.0079
SALTWICK	NO	0.0001	0.0011
THRINTOFT	NO	0.0082	0.0073

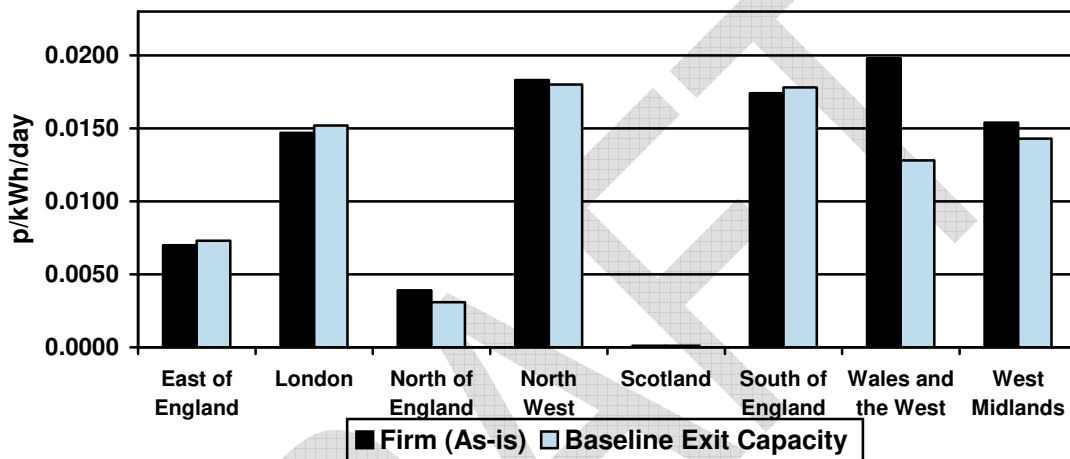
Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
TOW_LAW	NO	0.0088	0.0079
WETHERAL	NO	0.0059	0.0055
HORNDON	NT	0.0102	0.0126
LUXBOROUGH_LANE	NT	0.0125	0.0128
PETERS_GREEN	NT	0.0119	0.0122
WINKFIELD_NT	NT	0.0202	0.0205
AUDLEY_NW	NW	0.0194	0.0197
BLACKROD	NW	0.0170	0.0166
ECCLESTON	NW	0.0225	0.0228
HOLMES_CHAPEL	NW	0.0206	0.0209
LUPTON	NW	0.0114	0.0111
MALPAS	NW	0.0212	0.0215
MICKLE_TRAFFORD	NW	0.0225	0.0228
PARTINGTON	NW	0.0200	0.0192
SAMLESBURY	NW	0.0156	0.0152
WARBURTON	NW	0.0198	0.0194
WESTON_POINT	NW	0.0234	0.0237
ABERDEEN	SC	0.0001	0.0001
ARMADALE	SC	0.0001	0.0001
BALGRAY	SC	0.0001	0.0001
BATHGATE	SC	0.0001	0.0001
BROXBURN	SC	0.0001	0.0001
CARESTON	SC	0.0001	0.0001
DRUM	SC	0.0001	0.0001
GLENMAVIS	SC	0.0001	0.0001
HUME	SC	0.0001	0.0001
KINKNOCKIE	SC	0.0001	0.0001
LANGHOLM	SC	0.0036	0.0032
LOCKERBIE	SC	0.0027	0.0024
MOSSIDE	SC	0.0001	0.0001
NETHER_HOWCLEUGH	SC	0.0010	0.0006
PITCAIRNGREEN	SC	0.0001	0.0001
SOUTRA	SC	0.0005	0.0002
ST_FERGUS_OT	SC	0.0001	0.0001
STRANRAER	SC	0.0017	0.0013
FARNINGHAM	SE	0.0102	0.0126
SHORNE	SE	0.0092	0.0116
TATSFIELD	SE	0.0118	0.0142
WINKFIELD_SE	SE	0.0202	0.0205
BRAISHFIELD_A_&_B	SO	0.0235	0.0238
HARDWICK	SO	0.0152	0.0155
IPSDEN	SO	0.0181	0.0186

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
MAPPOWDER	SO	0.0276	0.0190
WINKFIELD_SO	SO	0.0202	0.0205
AYLESBEARE	SW	0.0297	0.0211
CIRENCESTER	SW	0.0196	0.0110
COFFINSWELL	SW	0.0323	0.0206
EASTON_GREY	SW	0.0201	0.0115
EVESHAM	SW	0.0160	0.0079
FIDDINGTON	SW	0.0154	0.0067
ILCHESTER	SW	0.0256	0.0170
KENN	SW	0.0308	0.0221
LITTLETON_DREW	SW	0.0208	0.0122
PUCKLECHURCH	SW	0.0217	0.0130
ROSS_SW	SW	0.0128	0.0041
SEABANK_LDZ	SW	0.0235	0.0115
ALREWAS_WM	WM	0.0150	0.0153
ASPLEY	WM	0.0179	0.0182
AUDLEY_WM	WM	0.0194	0.0197
AUSTREY	WM	0.0144	0.0141
LEAMINGTON	WM	0.0136	0.0103
LOWER_QUINTON	WM	0.0153	0.0089
MILWICH	WM	0.0167	0.0170
ROSS_WM	WM	0.0128	0.0041
RUGBY	WM	0.0126	0.0114
SHUSTOKE	WM	0.0155	0.0153
STRATFORD_UPON_AVON	WM	0.0149	0.0091
MAELOR	WN	0.0220	0.0223
DOWLAIS	WS	0.0089	0.0002
DYFFRYN_CLYDACH	WS	0.0069	0.0001
GILWERN	WS	0.0100	0.0013

## Indicative NTS Exit (Flat) Capacity Charges by Exit Zone (p/kWh/day) 1<sup>st</sup> October 2012

Area	Zone	Average Indicative Exit Charge (p/kWh/day) by NTS Exit Zone	
		As-Is	Baseline
East of England	EA1	0.0063	0.0064
	EA2	0.0065	0.0072
	EA3	0.0025	0.0027
	EA4	0.0119	0.0122
	EM1	0.0001	0.0001
	EM2	0.0044	0.0047
	EM3	0.0142	0.0144
	EM4	0.0099	0.0103
North of England	NE1	0.0058	0.0054
	NE2	0.0010	0.0004
	NE3	0.0001	0.0001
	NO1	0.0062	0.0040
	NO2	0.0062	0.0058
London	NT1	0.0202	0.0205
	NT2	0.0120	0.0128
	NT3	0.0119	0.0122
North West	NW1	0.0160	0.0156
	NW2	0.0205	0.0204
Scotland	SC1	0.0001	0.0001
	SC2	0.0001	0.0001
	SC4	0.0002	0.0002
South of England	SE1	0.0109	0.0134
	SE2	0.0202	0.0205
	SO1	0.0152	0.0155
	SO2	0.0233	0.0217
Wales and the West	SW1	0.0152	0.0066
	SW2	0.0227	0.0129
	SW3	0.0302	0.0219
	WN	0.0220	0.0223
	WS	0.0089	0.0004
West Midlands	WM1	0.0179	0.0183
	WM2	0.0149	0.0149
	WM3	0.0133	0.0098

The following graph shows the average offtake prices by Distribution Network in order to show the geographic impact on prices. The marked change in prices for Wales and the West is due to the large change in supplies at Avonmouth required to meet the increased demand for Baseline flow levels. Under the prevailing NTS Charging Methodology, supplies are matched to demand using a merit order which appears to make exit charges nearest the supplies at the top of the merit order most variable. National Grid has committed to investigate alternative supply and demand balancing options to seek to make exit charges more stable and to bring forward NTS Charging Methodology proposals as required. As this proposal is based on the prevailing charging methodology, any changes to the balancing approach used to set exit charges would be for both the prevailing arrangements and the enduring offtake arrangements.



## Appendix C – Indicative NTS Exit (Flat) Commodity Prices

The following table demonstrates the impact on the proposed TO Exit (Flat) Commodity charges from 1<sup>st</sup> October 2012 based on a number of firm booking scenarios.

Allocated Annual exit Capacity Scenarios	Annual Capacity Sold	Unsold Baseline	TO Revenue Shortfall		TO Exit Commodity Charge
	(GWh/day)	(GWh/day)	(£m)	(%)	(p/kWh)
Firm (As-is)	6,130	2,496	£74.12	25.3%	0.0067
Firm + DN Interruptibles	6,393	2,234	£63.81	21.8%	0.0058
Firm + DC Interruptibles	7,306	1,320	£32.07	10.9%	0.0029
Firm + DC & DN Interruptibles	7,569	1,058	£21.76	7.4%	0.0020
Baseline Exit Capacity	8,627	0	£0.0	0%	0.0000

## Appendix D - Timelines

The following tables show the build up of prices required for the 1<sup>st</sup> October 2012 capacity release date and the first application period summer 2009. In each year, starting from 2009, the prices that would be generated are shown.

<b>Key</b>
Actual prices or reserve prices
Indicative Prices

### Timeline Example 2009 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction(s) Held
		From	To	
2012/13	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2012	-	Summer 2009 Application Window
		1 Oct 2013	-	
		1 Oct 2014	-	

### Timeline Example 2010 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction Held
		From	To	
2012/13	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Summer 2010 Application Window
2013/14	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2013	-	Summer 2010 Application Window
		1 Oct 2014	-	
		1 Oct 2015	-	

## Timeline Example 2011 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction Held
		From	To	
2012/13	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Summer 2011 Application Window
2013/14	Annual NTS Exit (Flat) Capacity	1 Oct 2013	30 Sep 2014	Summer 2011 Application Window
2014/15	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2014	-	Summer 2011 Application Window
		1 Oct 2015	-	
		1 Oct 2016	-	

## Timeline Example 2012 – Auctions/Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction(s) Held
		From	To	
2012/13	Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Capacity booked in Summer 2009 Application Window
	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Capacity booked in Summer 2012 Application Window
	Daily Firm NTS Exit (Flat) Capacity (Day Ahead)	1 Oct 2012	30 Sep 2013	30 Sep 2012 to 29 Sep 2013
	Daily Firm NTS Exit (Flat) Capacity (Within Day)	1 Oct 2012	30 Sep 2013	1 Oct 2012 to 30 Sep 2013
	Off-Peak Daily NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	30 Sep 2012 to 29 Sep 2013
2013/14	Annual NTS Exit (Flat) Capacity	1 Oct 2013	30 Sep 2014	Summer 2012 Application Window
2014/15	Annual NTS Exit (Flat) Capacity	1 Oct 2014	30 Sep 2015	Summer 2012 Application Window
2015/16	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2015	-	Summer 2012 Application Window
		1 Oct 2016	-	
		1 Oct 2017	-	